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6 August 1958

Validity Study of NIE 100-57:

Sino-Soviet Foreign Economic Policies and Their

Probable Effects in Underdeveloped Areas,

published 26 March 1957

1. NIE 100-57 correctly estimated that the rate at which the Bloc credits were extended would slow down. It also correctly estimated that the Bloc trade program would continue to expand.

2. However, we now believe that NIE 100-57 overestimated the extent to which competing internal demands would restrict expansion of the Bloc foreign economic program. Moreover, it did not foresee the number of opportunities which would develop in the Free World. In particular, it did not recognize the extent to which the underdeveloped countries would seize upon Bloc economic offers as a means of playing off the West against the East.

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